



SouthEast
Housing Co-operative Ltd

Housing Futures

October 2015

The Hidden Staff



Pictured above (from left) Joy Haines, David Griffiths, Jim Kokoras, Michelle D Rozario, Trang Le and Dale Carroll

It is often said that the history of housing co-operatives is a hidden history. Within housing co-operatives there is also a hidden history of the staff who can make or break a co-operative because they are the front-line of the co-operative.

The board of the SouthEast Housing Co-operative Ltd recognises the success of the co-operative is vitally dependent on all staff who serve the co-operative. The board appreciates the long serving staff who continue to serve the co-operative and members.

We are fortunate to have loyal, experienced and professional staff – a legacy of many years and a succession of managers. Managers of the co-operative are expected to value and support the work of all staff. The board hopes that all staff will continue to work for the co-operative into the future and managers are expected to support this aspiration.

AGM

This year's AGM is between 7:00 – 9:00 pm on Monday the 16 November 2015 at View Room Dandenong Club 1579 Heatherton Rd, Dandenong, Corner Stud & Heatherton Roads Melways Ref: 90 G3

The AGM will include a tribute to Ian, two speakers, door prizes and chair prizes and a surprise traditional and historic contribution preceding the meeting - as well as the normal business.

IN THIS ISSUE:

- 2 The AGM
- 3 List Of SouthEast Chairpersons
- 6 Co-Operative Interdependence
- 7 Responsibilities Of Employees
- 8 Understanding Co-Operatives
- 9 What Is A Co-Operative Manager?
- 13 David Griffiths Interview
- 15 How To Get Cheaper Energy Bills
- 16 Co-operative Sector Participations

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18 September 2015

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THE AGM

Joy Haines and David Griffiths

We expect that this year's AGM will be the best in the co-operative's history and, if not, the board will be disappointed with us – someone has to be blamed.

It is the 15th AGM and, therefore, a reason to celebrate – 15 years of survival and achievements by successive members, boards and staff.

An exceptionally fine program has been arranged to celebrate the Annual General Meeting – entertainment, great speeches and interesting reports on the co-operative's activities and achievements. You will find out how your money was distributed and the co-operative's plans beyond 2015 – a real plan.

The ongoing challenge for a co-operative is to improve its accountability and transparency to members and this requires a genuine and ongoing commitment to co-operative values and principles – not gesture politics that feigns commitment.

This year's Annual Report demonstrates this ongoing commitment by the board and its managers. New features in this year's Annual Report include reports and reviews of the main services provided by the co-operative:

- Compliance Services
- Maintenance Services
- Member Development Services
- Tenancy Services

In past issues of the Annual Report, the assessment of the Strategic Plan has referenced these areas but without an explanation of the services activities over the last 12 months. In assessing these Annual Reports it has been agreed that the services be separately identified in sector-specific reports and it's hoped this will improve accountability and transparency to members.

This year's Annual Report also features an extended version of the speech the former General Manager, Ian McLaren, delivered to last year's AGM.

BOARD AND THE AGM

The board of SouthEast Housing Co-operative Ltd is responsible for presenting an Annual Report to members at the Annual General Meeting.

The board has a responsibility for ensuring the Annual Report provides real accountability and transparency to members – not claimed accountability and transparency.

The ongoing challenge for the board is to produce an Annual Report that is meaningful for members who want to read the Report. The board should aim for members in particular to read the Annual Report for without this there is, obviously, no accountability and transparency to members.

The board, of course, has the challenge of avoiding meaningless and excessive detail – to members not the board itself. It is a constant challenge for a board to decide what to leave in and what to leave out of an Annual Report.

The board has to own the Annual Report and convince members that it understands the Annual Report – that it is the board's Annual Report and not simply endorsed by the board. More than six years ago the Annual Report was not even presented to the board for approval. It was prepared by the General Manager and was, therefore, the General Manager's Annual Report.

Members and the AGM

The fundamental purpose of a co-operative is to fulfil the needs of members – as the owners of the co-operative.

Members make co-operatives work by exercising their responsibilities of ownership.

Members delegate critical control responsibilities to the board such as preserving the co-operative character of the co-operative and appointing a manager who will preserve this co-operative character.

The members must ensure that the board is preserving this co-operative characteristic and hiring co-operative committed managers.

It is critical that members attend the Annual General meeting and question the board about the Annual Report – and not just accept the assurances of managers and the board.

The Chairperson

The Chairperson of SouthEast Housing Co-operative Ltd is elected annually at the Annual General Meeting from eligible directors.

The Chairperson can be elected for two consecutive 12 month terms but is then not normally eligible to renominate for the next two years.

Chairpersons

To be eligible to be nominated for the position of Chairperson a director should have served on the board for a minimum of one year and has not served as Chairperson over the previous two years unless there are no directors who have served for one year or more or those directors who have served one year or more are not willing to nominate

The current Chairperson is Andrea Lee who was elected in 2014 – replacing the long-serving Chairperson Shirley Faram. It was from 2014 that a Rule change applied introducing limited terms for the Chairperson.

Since its formation in 2000 the SouthEast Housing Co-operative Ltd has had four Chairpersons: Shirley Faram (2000-2005 and 2007-2014), Jan Dickson (2005-2006), Tracey Hall (2006-2007) and Andrea Lee (2014-)



Jan Dickson

Jan Dickson is a Member Director and a member of the Governance and Policy and Business and Finance Committees and was a member of the Clayton Junior Football Club for ten years.

- Previous director and chairperson 1 year

- Co-operative director four years
- Co-operative member since 4/5/2001
- Home Duties
- Participated in a co-op Office Support Group and was a Policy Group participant also.



Tracey Hall

A Member Director and the Convenor of the Business and Finance Committee.

- Since 2002 director on the SouthEast Board including:
- Chairperson for one year, secretary for one year, policy committee member for two years and the

balance as a business and finance committee member

- Cert 4 Small Business Management
- Cert 4 Business (Governance)
- School committee: publicity officer
- Village committee member for two years for the City of Kingston



Shirley Faram

Shirley Faram served for over fifteen years on the board as a board member and in the past was a worker with the Bayside Youth Housing Project.

- The Board Deputy Chairperson, and a Member Director and currently the convenor of

the Governance and Policy committee.

- Over 12 years as SouthEast Chairperson
- Four years secretary of Frankston Council's Good Neighbour program
- Four years volunteering with the Bayside Shared Accommodation Register



Andrea Lee

Board Chairperson and a Member Director and member of the Governance and Policy Committee.

- Co-operative member since 8/7/2001
- Board member 2005/6 and since 2010
- Bachelor of Business Accounting and Management

- Accountant – seven years in Business Services

Role of chairperson

The chairperson's role is to run meetings in a way that encourages decisions. The chairperson should allow fair and open discussion of matters and stick to the agenda, so that decisions can be made.

The chairperson:

- does not have any decision-making powers unless delegated in writing by the board
- can prepare or supervise preparation of notices, agenda, ballot papers and minutes.

Duties

A chairperson must:

- act on the directions of the board
- act honestly and in good faith, exercise due care and diligence and not make improper use of his or her position

Powers

The chairperson does not have any special powers to make decisions on behalf of members or the board.

Any delegated powers must be recorded in the minutes. The Chairperson does not have the power to make-up delegations and act as if there are delegations and subsequently seek authorisation. Nor should a board allow a Chairperson to assume delegations when these have not been already authorised by the board.

**LEADERSHIP
CANNOT
BE GIVEN
IT MUST BE
EARNED
IT CANNOT BE
TAKEN AWAY
YOU LOSE IT
BY LACK
OF PERFORMANCE**

Skills required

The role of a chairperson requires significant care and skills including:

- time management (for example, starting and ending a meeting on time)
- people management (for example, keeping control of meetings)
- a high level of organisation.

The chairperson should also have a sound knowledge of Co-operatives National Law.

When discussion is underway at a board meeting, it is the chairperson's responsibility to ensure that it continues to flow smoothly by involving all members present and by not permitting one or two people to dominate the meeting. The Chairperson should work towards board unity and not encourage divisiveness by working for agreed positions rather than winning or losing votes on motions.

Summarising by the chairperson during meetings can:

- Indicate progress, or the lack of progress.
- Refocus discussion that has wandered off the point.
- Conclude one point and lead into the next.
- Highlight important points.
- Identify points of agreement and disagreement.
- Clarify any misunderstanding.

The chairperson should pace the meeting, ensuring it runs to time. If the planning has been properly executed, this should not prove to be a problem.

There are many reasons why meetings are not effective, some of these include:

The meeting is unnecessary and revolves around discussion of trivial issues, thus wasting members' valuable time.

The meeting lacks clarity of purpose, i.e., the aims and objectives are not clearly defined.

Inappropriate style of leadership, i.e., the chairperson dominates and closes down or disregards other contributions and is partisan in taking sides.

The chairperson exercises little control and allows one or two members to dominate the proceedings.

The meeting is too large thereby limiting the flow of discussion and preventing all members being able to contribute.

Decisions emerge that are not truly representative.

Problems are talked about rather than being talked through.

Decisions are delayed or not acted upon.

No clear-cut decisions are made.

Minutes are inaccurate or seen as being manipulated by the chairperson or secretary for his/her own purposes.

The wrong people are present, thus preventing the meeting proceeding effectively, e.g., those present have to refer back to another person and are therefore unable to comment effectively.

Leadership

Leadership is a choice – how you choose to lead a co-operative. The style adopted can influence the process and outcomes for a board and members need to realise the consequences of different forms of leadership.

A useful summary of leadership styles is available at:

<http://www.skillsyouneed.com/lead/leadership-styles.html#ixzz3n6IBPEbk>

A leader can exhibit one or more characteristics at the same time or over time but one style tends to predominate. The styles have been slightly amended. Eclectic leaders use a mix of styles as appropriate and never to manipulate.

Coercive leaders demand immediate obedience.

In a single phrase, this style is 'Do what I tell you'.

These leaders show initiative, self-control, and drive to succeed. There is, of course, a time and a place for such leadership: a battlefield is the classic example, but any crisis will need clear, calm, commanding leadership. This style does not, however, encourage anyone else to take the initiative, and often has a negative effect on how directors, staff and members feel.

Pace-setting leaders expect excellence and self-direction.

This style can be summed up as 'Do as I do, now'.

The Pace-setter very much leads by example, but this type of leadership only works with a highly-competent and well-motivated team. It can only be sustained for a while without team members flagging. Like the Coercive leader, Pace-setters also show drive to succeed and

initiative, but instead of self-control, these are coupled with conscientiousness.

Authoritative leaders move people towards a vision

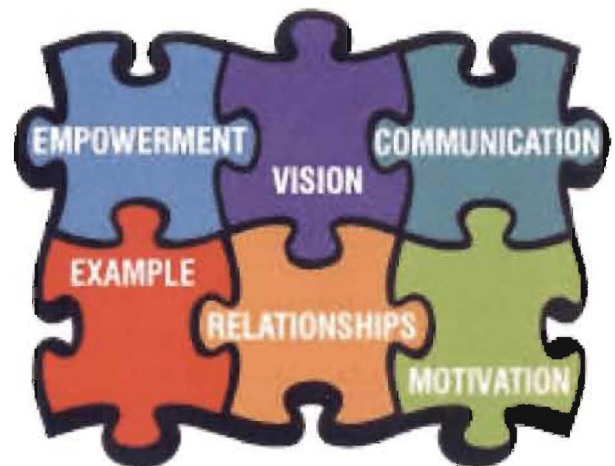
This style is probably best summed up as 'Come with me'.

These leaders are visionary and it's the most useful style when a new vision or clear direction is needed, and is most strongly positive. Authoritative leaders are high in self-confidence and empathy, acting as a change catalyst by drawing people into the vision and engaging them with the future. Authoritative leaders are not authoritarian leaders.

Affiliative leaders value and create emotional bonds and harmony.

Affiliative leaders believe that 'People come first'.

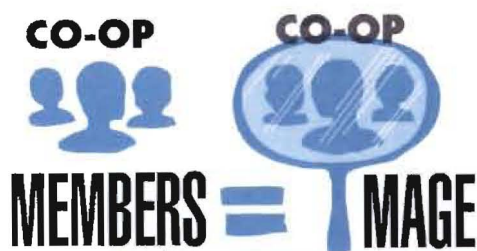
Such leaders demonstrate empathy, and strong communication skills, and are very good at building relationships – with directors, staff and members. This style is most useful when a team has been through a difficult experience, and needs to heal rifts, or develop motivation. It is not a very goal-oriented style, so anyone using it will need to make sure others understand the goal is team harmony, and not specific tasks.



The Leadership Jigsaw

Leaders become great, not because of
their power, but because of their
ability to empower others.

~John Maxwell



MEMBERS HAVE A RESPONSIBILITY TO:

☒ PARTICIPATE IN

- ☒ PROMOTE
- ☒ EXPLAIN
- ☒ DEFEND
- ☒ CORRECT

THE CO-OP

THE
BOARD
OF
DIRECTORS. . .

-  **PRESERVES** CO-OP CHARACTER
-  **SAFEGUARDS** ASSETS
-  **HIRES** MANAGER
-  **SETS** POLICIES
-  **PLANS** FOR THE FUTURE



It is probably obvious from this it cannot be used on its own for any length of time if you need to 'get the job done'.

A **Coaching leader** will develop people.

The phrase that sums up this leadership style is 'Try it'

Coaching leaders allow people to try different approaches to problem solving and achieving a goal in an open way. The coaching leader shows high levels of empathy, self-awareness and skills in developing others – directors, staff and members. A coaching style is especially useful when an organisation values long-term staff development

Co-operative Interdependence

From Understanding Cooperatives: Who Runs the Cooperative Business?

General Manager and Employees. Cooperative Information Report 45, Section 6 January 1995

Cooperatives are a form of business owned and controlled by the people who use it, and can be compared to buying a car, in that several parts must come together to make it right.

The most essential one is the people:

Members, as the owner-users; Board of Directors, as the policymaking body; Management, as the supervisor; and Employees, as the work force.

The success of a co-operative depends on unity between members, the board, management and employees.

Each has specific roles and responsibilities in the overall operation of a cooperative. Management of a cooperative is often incorrectly thought of as including only the hired manager. This is far from the truth. Cooperative management should be regarded as a team consisting of four elements — members (owners), board of directors (elected), the manager and other responsible employees.

It would be a grievous error if the board ignored the four elements and focussed simply on the manager. The board, of course, appoints the manager but the manager is a part of the whole and the manager's role is also to create unity within the co-operative and not be used by the board to create divisiveness.

Each has its own distinctive duties and responsibilities for performing management functions in a cooperative. This allows them definite, reserved rights in the ownership and control of the co-operative. These important rights give them the privilege of taking an active part in the management of the business. To be effective, each must exercise these rights; otherwise they will have no voice in management.

Successful management of a cooperative, therefore, is based on intelligent and active cooperation of the members with the board and with the manager and employees, each group shouldering its own responsibilities to the best of its ability.

Responsibilities of Employees

1. Understand the purpose and objectives of the cooperative. Employees need to know what cooperatives are and how they compare with other methods of doing business. By understanding cooperative purposes, objectives, operations, and their role as employees, they can help improve member relations, the cooperative's image, and the general public's understanding of cooperatives. Management can inform employees about the cooperative through staff meetings, training programs, and printed materials. Many employees may be hired right out of high school or college and have received little or no education about the cooperative form of business before employment. This means that while employees are the ones responsible for understanding the purpose and objectives of cooperatives, management must pay particular attention to providing this type of employee education and training program.

2. Fully perform duties. In many cooperatives, like other business firms, the largest operating expense is for personnel. In addition to salaries and wages paid, these costs include interviewing, hiring, training, and fringe benefits. Training and developing employees, both formally and informally, must be the result of planned conscious efforts. It is a continuing process and may include on-the-job and programmed outside training. This requires sizable investment in employees to help them become productive. Cooperatives, like other business firms, expect fully performed duties for the invested training, compensation, and benefits provided. Cooperative managers know they must pay competitive salaries and provide comparable benefits if they expect to recruit and hold qualified employees.

While the cooperative has responsibility for recruiting and providing training situations, the employee is responsible

for using these opportunities to better perform service to members.

3. Understand the relationship to member owners.

In a small local cooperative, the manager can maintain good relations between the cooperative organization and its members. That personal contact keeps the members informed of their cooperative's activities. Immediate feedback from members is encouraged to keep the manager informed of problems, needs, and evaluation of services. Situations can be quite different in larger cooperatives. Personnel hired by regional cooperatives may have sole responsibility for building cooperative image as they serve members. The only cooperative employees that members may encounter regularly from annual meeting to annual meeting may be the individual pumping the gas, the person answering the telephone, the truck driver picking up their milk, or the cashier. To the average member, they are the voice of the cooperative. Employees, as representatives of the cooperative, must understand the relationship of the business to the member-owners. They must realize the members, not employees or the manager, own the cooperative, and that services provided are the primary function of the cooperative.

4. Favourably represent the cooperative. Employees help build the cooperative's image as they serve members and the community — both on and off the cooperative's premises. Employees should keep the premises clean and attractive; make sure equipment and service tools are operating; serve members pleasantly, promptly, and in the order promised; and take an extra step to give members satisfactory service. Employees, within limits of cooperative policy and like their manager, can be community boosters by taking part in religious, school, or community affairs. Their efforts can positively affect the cooperative image held by members, the general public, and other businesses.

Understanding the uniqueness of the relationship between the cooperative business and the people who own it provides an opportunity for the manager and employees to develop and maintain positive public and member relations. All will help contribute towards a successful organization for a cooperative's members, directors, manager and employees, and the community it serves.



The Second Curve – Thoughts on Reinventing Society

Random House Books, 2015

Handy, Charles

About the staff of businesses and organisations.

It is not a creation of shareholders, creditors and directors but an association of all those working in and with it. It is a community, a collection of people working together for a common purpose. P 106

It is interesting to consider the implications that would follow if we thought of a business as a community rather than a property. No one can own a community, although they can help to finance it and can have a stake in it. Its members, in turn, belong to it but are not owned by it. P 107

We need to rethink the way we design our organisations, if only to give the people in them more involvement in their work. An active citizenship, working within a democratic structure, is the sort of new curve that is needed. P 115

Any list of desiderata by employees has at its head the opportunity to develop new competencies, to have the chance to grow and to enjoy more control over their own work, to make more of a contribution. P 228

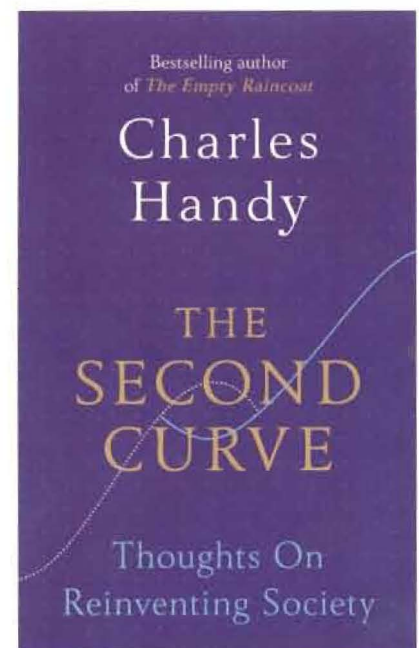
Charles Handy (born 1932) is an Irish author and philosopher specialising in organisational behaviour and

management. Among the ideas he has advanced are the "portfolio worker" and the "Shamrock Organization" (in which professional core workers, freelance workers and part-time and temporary routine workers each form one leaf of the "Shamrock").

Publications include:

- The Elephant and the Flea (2001)
- Re-invented lives (2002)
- Myself and Other More Important Matters (2006)
- The New Philanthropists (2006)

21 Ideas for Managers (2000) What is a co-operative manager?



What is a co-operative manager?

David Griffiths

The obvious answer is - the manager of a co-operative. But, the question goes beyond the literal - it is a critical question for all co-operatives because managers of co-operatives require co-operative specific commitments and skills.

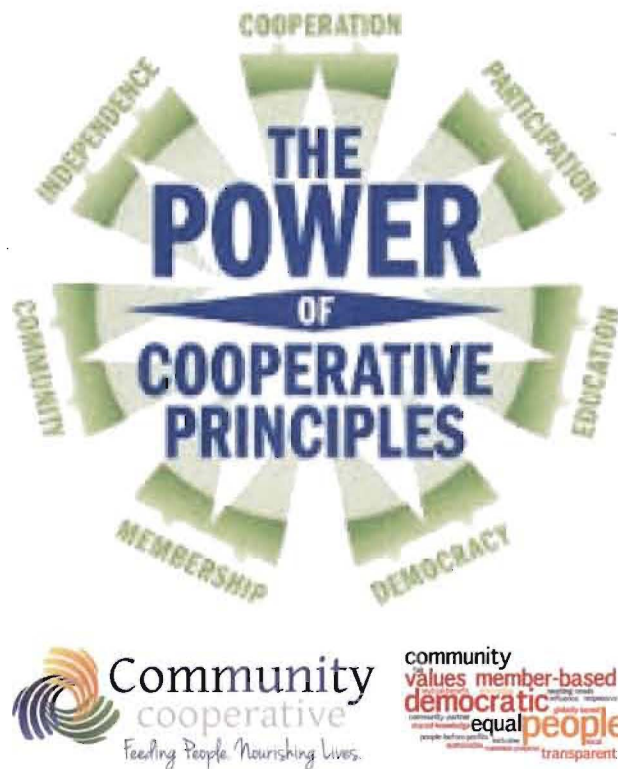
In appointing managers who do not have the necessary co-operative commitment and skills, co-operatives are introducing a risk that could eventuate in co-operative failure - as a co-operative if not as a business.

The boards of co-operatives are accountable to members for the managers they appoint. Boards have to recruit managers who have the competencies required to manage the co-operative but also to reflect and reinforce co-operative values and principles.

A board must have a capacity to judge the required competencies of a manager for the co-operative- including how and when a co-operative manager reflects and reinforces co-operative values and principles. There are general competencies required of all managers and these include:

- Understanding and setting goals and targets
- Staff management
- Time management
- Financial management
- Making effective and efficient decisions
- Distinguishing between data and information
- Understanding the differences between causes and consequences
- Using technology effectively and efficiently
- Selecting and using advisers
- The management of conflict

In addition, there are the specific competencies required for a co-operative that depend on the nature of the business, its developmental stage, its size and its technological complexity.



Reflect and Reinforce

But, this is only the beginning of a manager selection process. While business competencies are essential, the board must also be able to judge whether or not a manager will reflect and reinforce co-operative values and principles i.e. the business decisions and practices will be based on a co-operative management practice:

- Co-operative democracy
- Co-operative education and training
- Co-operative management
- Members as owners, users and beneficiaries.
- Co-operative values and principles

This, of course, requires the board to accept there is a distinct co-operative management practice and what this means.

The challenge for the board is to recognise that co-operative management is unique and, therefore, the role of the co-operative manager is unique, that there are co-operative-specific management skills and this is critical to the role, recruitment and accountability of the manager. This, of course, also depends on the values and principles of the co-operative being explicit and recognised and accepted by the co-operative's members and directors - that business decision-making and practices must reflect and reinforce co-operative values and principles.

Members and directors need to develop an explicit understanding of the co-operative's values and principles:

- What are the co-operative's values and principles?

- How are these expressed in the co-operative's management practice?
- Who defines and interprets the co-operative's values and principles?
- What standards are used to assess these values and principles?
- How does decision-making in the co-operative reflect and reinforce these values and principles?

In the absence of recognition of the need for a co-operative management practice, it is assumed by members and directors that management is a science and that managers are independent professionals capable of working for all or any business and the form of ownership and values and principles are not relevant to the exercise of their competencies and that, therefore, there is not a distinct co-operative management practice.

Value Free

The reality is that management is not value-free.

All business enterprises have a philosophical underpinning - the values and principles that inform the operations of a business and the decision-making process. The philosophy may be implicit or explicit. Managers also are not value-free - conditioned by their experience and training and expectations. Managers, therefore, can either implicitly or explicitly strengthen or undermine co-operative values and principles in their management of a co-operative and a board needs to recognise this reality.

The following table summarises the differences between the management values and principles of investor and co-operative businesses:

Management Values And Principles	
Investor Business	Co-Operative Business
Maximise Dividends To Shareholders	Maximise Service To Members
Maximise Profit	Reasonable Surplus
Unlimited Economic Growth	Limited Economic Growth
Consulting With Minority Shareholders	Consultation With Majority Of Members
No Shareholder Education	Ongoing Member Education
No Limit Profit Distribution	Limit On Or No Profit Distribution
Reinforce And Reflect Plutocracy	Reinforce And Reflect Democracy

What these differing values mean is that the management practices are different and boards and managers must recognise and understand these differences and how it impacts on management practices in a co-operative. Some of the key issues, therefore, for a co-operative manager are:

- How do you maximise service to members?
- What co-operative education policy should be adopted?
- What co-operative education programs should be provided?
- What is co-operative democracy?
- How do you reflect and reinforce co-operative democracy?
- How to maximise board accountability and transparency to members?

De Facto Co-operation

Without the co-operative difference being recognised by boards and managers, the threat is that a manager will, and be allowed to, make decisions and take action in the belief by the board that these are in the best interests of a co-operative as a business as interpreted and determined by the manager yet these may be explicitly or implicitly inconsistent with co-operative values and principles.

In this default situation, the co-operative will be increasingly dependent on the manager and the manager will de facto determine the co-operative's ethos - and future. Managers will be able to use their power to internally privatise the values of the co-operative and ultimately enrich themselves. Unfortunately, the process could proceed without members and directors being aware of the erosion of co-operative values and principles.

It could be argued, for instance, that once agricultural co-operatives had external shareholders that demutualisation was inevitable. Yet, the decision to allow external shareholders was critical in demutualisation because it undermined the essence of co-operatives being user owned and created a conflict of interest between internal member shareholders and external investor shareholders.

These have been critical influences on the demutualisation of agricultural co-operatives in Australia e.g. Dairy Farmers, Pivot and the Warrnambool Cheese and Butter Factory.

Actual Co-operation

The key issue, then, is that the board must determine the co-operative's policy based on co-operative values and principles and ensure that management objectives and strategies are consistent with this policy - and co-operative values and principles. The board cannot assume that management objectives and strategies are consistent. The board must be able to judge this consistency. The boards own decisions that must, of course, be based on the integrity of co-operative ownership and control.

A co-operative may, for instance, have a need for further capital and have difficulty in convincing and raising this capital from its members. A manager whose focus is on the capital raising requirements may suggest, therefore, that the co-operative has no option but to restructure the co-operative to raise the necessary capital through external investors.

A manager who is committed to raising the capital but within the structure of a co-operative has a more complex challenge - to work with the board to educate members about the capitalisation requirements and work through the options of how to raise the necessary capital and remain a co-operative. This would include the problem of external shareholders, the possibility of increased member equity and addressing the relationship between member equity and co-operative ownership.

Indifferent or Neglectful

While there is a clear differentiation between the roles of managers and boards, the board does have a responsibility to the co-operative and its members to ensure managers are accountable to the co-operative and that management practices reflect and reinforce co-operative values and principles.

The onus is on the board to enforce this accountability. Managers who ignore co-operative values and principles only do so because boards are indifferent or neglectful. The manager, however, is not a proxy for the board or the chairperson of the board.

The demutualisation of many co-operatives throughout the world has been capital-driven and explicitly and/or implicitly encouraged by managers, boards and advisers who have focused on business growth independent of co-operative growth, values and principles.

Healthy Co-operative Management

What, then, are the attributes of a healthy co-operative management practice? These can be summarised as

including:

- Reports and recommendations to the board specifying any relevant consequences for co-operative ownership and control.
- Co-operative education programs for managers, staff and members and information about these programs.
- Ongoing training for co-operative directors and provision for this in the Rules of the co-operative.
- Board receiving periodic reports on co-operative education and training.
- Regular reviews of membership activity policies and practices e.g. numbers of new members and numbers of members participating in elections, meetings and survey responses.
- Member surveys.
- Member focus groups.
- A co-operative newsletter for members.
- Social audit reports.
- Special mailings to members.

Without these co-operative management practices, it will be difficult for a co-operative to remain and justify itself as a business that reflects and reinforces co-operative values and principles. A co-operative manager, therefore, is a manager who has the necessary competencies to manage the co-operative as a business and as a co-operative.

Assessing Cooperativeness

It is crucial for co-operatives to regularly and effectively assess the performance of the Manager.

The basis of this assessment must be the job description, the annual goals and objectives of the co-operative, the Strategic Plan and the actual performance of the Manager.

Personal responsibilities of directors

Source: NSW Fair Trading

Director duties, whether fiduciary, statutory or contractual, are imposed

upon directors as individuals. Therefore each director is personally responsible for their decisions and actions as a director. As these duties stem from different sources of law, enforcing them has different consequences.

Fiduciary duties are owed to the co-operative. Therefore, if a director breaches a duty, the co-operative (or sometimes members on behalf of the co-operative) has the right to sue and enforce that duty by seeking compensation or injunctions against individual director(s).

Statutory duties are enforceable by the Registrar and penalties for breaching them can range from compensation orders, to fines and, in some cases, terms of imprisonment. Statutory duties apply usually to 'officers' of a co-operative which will include directors as well as persons engaged in the management of the co-operative and, in some cases, employees.

Contractual duties that arise under the rules are duties owed to the co-operative or its members. Directors breaching these duties may be subject to legal action from the co-operative or its members.

There are five major categories of director duties:

1. The duty to act in good faith (honestly) in the interests of the co-operative

The director must take into account the best interests of the co-operative and act in those interests rather than for any other motive.

2. The duty to act with reasonable care

Directors must act with reasonable care and diligence in all aspects of their activities for the co-operative. While delegating duties is permitted in circumstances, directors are not automatically freed from responsibility for the consequences of delegated tasks. For example, delegated financial decisions to unqualified or inexperienced persons could leave directors responsible for unsound decisions or acts. Courts have identified the following as minimum standards of care, skill and diligence expected of directors:

A director must acquire a basic understanding of the business of the co-

operative and must be familiar with the fundamentals of the co-operative's business.

Directors are under a continuing obligation to keep informed about the activities of the co-operative.

Detailed inspection of day-to-day activities is not required; however, general monitoring of the co-operative's business affairs such as regular attendance at board meetings is necessary.

Directors should be familiar with the financial status of the co-operative by a regularly reviewing the financial statements. This duty is vital to maintain the statutory duty to prevent insolvent trading.

3. The duty to act for a proper purpose

Directors must act honestly in the interests of the co-operative. Directors are given powers and discretions to make decisions. If that power is abused or used for an improper purpose, then the director will have breached their duty. For example, a decision to schedule a general meeting at an inconvenient time or place in order to limit member participation may amount to an improper use of a director's power.

4. The duty to retain discretions

There is a duty to ensure that directors do not abdicate responsibility for decision making by simply fitting in with other persons or the majority. A director has a variety of discretions or powers to make decisions and the co-operative is entitled to have the benefit of each director's personal effort in making that decision. This duty is closely related to the duty to act with reasonable care especially in delegating.

5. The duty to avoid conflicts of interest

Directors must not place themselves in a position where there is an actual or substantial possibility of a conflict between personal interests and their duty to act in the interests of the co-operative. There may be circumstances where a co-operative may allow a director to proceed with a transaction or activity, however, proper disclosure and express permission must be obtained

Statutory duties

The Co-operatives National Law imposes statutory duties on officers (including directors) of co-operatives which mirror the fiduciary duties. A breach of a statutory duty will expose directors to a range of civil and criminal penalties.

A co-operative's secretary has an expressed responsibility to ensure that the co-operative complies with statutory obligations. Go to the Role of a co-operative secretary web page for more information on the secretary's responsibilities.

Insolvent trading

The most important statutory duty, in addition to the above duties, is to prevent the co-operative from trading whilst it is insolvent. This duty places directors at risk of being personally responsible for the debts of the co-operative that were entered into whilst insolvent. The elements of this duty are set out in the Corporations Act 2001 (Cwth) and are applied by the Co-operatives National Law.

Briefly, the duty requires that a director must ensure that the co-operative does not incur a debt in circumstances where:

- the co-operative is insolvent at the time
- the co-operative becomes insolvent by incurring the debt

- there are reasonable grounds for suspecting that the co-operative is insolvent or would become insolvent.

Defences available to directors under this duty will be based upon what constitutes reasonable grounds and other matters

Business responsibilities of directors

Broadly, directors are required to make decisions and formulate plans or policy for their co-operative. The range of decisions to be made for any co-operative will vary depending on the co-operative's size and its undertakings.

Generally, the activities of directors include, but are not limited to:

- development of basic guidelines for the control of the business activities of the co-operative
- appointment, supervision and removal of employees including the determination of their pay and description of their responsibilities
- calling of special meetings whenever necessary or upon the request of members as provided in the rules
- approval of general business arrangements such as entering into contracts with distributors or suppliers
- settlement of arrangements for handling funds and the designation of the people who may sign cheques
- borrowing of funds for any legal or approved purpose
- ensuring that an adequate bookkeeping system is maintained, that regular financial reports and audits are done and that a complete record of board meetings is kept in accordance with accounting standards
- ensuring that the organisation establishes and maintains systems of internal control, and supervision and safe custody of appropriate documents
- using adequate checks to make certain that employed staff and voluntary officers, the manager, secretary and treasurer are conforming to the policies adopted by the board of directors
- exercising prudent decision-making regarding the level of debt entered into
- attending and participating in general meetings (including the annual general meeting) of the co-operative
- reviewing operating results in order to determine whether policies should be continued, changed or dropped
- taking active and energetic steps to keep members fully informed of the organisation's activities and problems.

Interview



David Griffiths

When did you first become involved with SouthEast?

It was about nine years ago when Greg Flynn was the general Manager. The board desired to strengthen its governance practices.

Where did you come from?

I was Secretary of the Co-operative Federation of Victoria Ltd (CFV) – the peak body for the co-operative movement in Victoria. Since 2013, however, CFV has gone into hibernation because of declining member support – less members less services.

How well did you work with the previous General Manager Ian McLaren?

Very well. We trusted each other and had a co-operative working relationship. I would prepare, for example, the agendas and minutes of boards meetings and these would be discussed with Ian for further revision and finalisation – before being referred to the Chairperson for approval.

And Ian's death?

It was a shock to us all – particularly the staff. One of the most important roles of the General Manager is to protect the staff from interference from a board. The board appoints the Manager and the Manager is accountable to the board. With the death of Ian, there was as natural fear by staff that this protection would be removed and that a new Manager

would have different expectations imposed by the board and not understand co-operative values and principles in practice.

So what has happened since Ian's death?

The board decided to temporarily appoint two job share managers – Joy Haines (Operations) and myself (Governance). It has been a pleasure working with Joy. There have been no conflicts and all the staff have been very supportive. We have accomplished a great deal since our appointment on 15 June 2015 and the board has complemented us on our excellent work. We asked that we be called Acting Managers but this may have been an error. We wanted to be called Acting Managers because our hope at the time was that Ian would return as General Manager. But, the title Acting Manager could give the impression that we were Acting as Managers – rather than being Acting Managers. We may have devalued our own roles and subsequent achievements. We hope, therefore, the board understands the difference.

What do you do as Acting Manager (Governance)?

It's a continuation of my previous role as Governance Officer with managerial responsibilities. My responsibilities include the agenda and minutes for the board and Governance and policy committee, the SouthEast web site, the Twitter account and the Facebook page. I am also responsible for the newsletter Housing Futures and preparation of the Annual and Mid Year Reports. I am responsible but all of this is done in consultation with Joy and would not be achieved without the contribution of other staff.



Joy Hanes with David

How does SouthEast compare with other co-operatives?

It has been an exemplary co-operative with a committed membership and board. The board has demonstrated a genuine commitment to co-operative values and principles. Up to now, the board has developed a unique commitment to openness and transparency that is not matched by other housing providers e.g. publication of the Annual Reviews by the Housing Registrar, web site statistics on the web site and an Annual Report that has a comprehensive business and financial analysis, a Strategic Plan and other major decisions approved by members. Accountability and transparency create a history that, however, can be abandoned by a future board and a manager for dubious and/or forgetful reasons. A tradition of accountability and transparency also creates a momentum within the board and management to improve services e.g. the new heating and cooling policy and after-hours maintenance service. Why, for instance, should SouthEast reach such a high level of accountability and transparency when other registered agencies do not?

The members have an excellent record in attending General Meetings and providing feedback to surveys. Of course, it would be preferable if more members attended meetings and provided feedback. Compared to other co-operatives, the participation rate of members is high.

All the staff are experienced and professional and it is a pleasure to work with them and the contribution they make to the co-operative is immeasurable whether it is Dale, Jim, Joy, Michelle and Trang. Ian McLaren knew the strength of the staff and his philosophy was to leave the staff to get on with their jobs. Very little management is required when you have a competent staff who know what they are doing.

SouthEast is also unique because a majority of directors are women and this is typical of housing co-operatives. In contrast, most other forms of co-operatives have a majority of male directors.

In comparison with SouthEast, there are many registered co-operatives in Victoria that are not genuine co-operatives.

What do you mean not genuine co-operatives?

What defines a genuine co-operative is a commitment to co-operative values and principles in practice by the board and members. Co-operative democracy is the essence of co-operation and co-operatives i.e. real member ownership and control. Fake co-operatives do not believe in co-operative democracy – espousing co-operative rhetoric without a co-operative practice.

How do they get away with this?

There are four interdependent factors. First, a board that believes it is superior to members and allows a Chairperson and/or Chief Executive Officer to dominate the board through manipulation. Second, a Chairperson who thinks they are the bosses of co-operatives and superior to other directors rather than the first amongst equals and bully the board into agreement without seeking consensus and unity.

Third, Chief Executive Officers who play the board and the Chairperson – manipulating both to serve his/her interests. Fourthly, there is a membership that hopes the board is doing the right thing or just does not care and does not realise what is being lost. The Victorian Producers Co-operative was a primary example of this – the Chairperson bullied the board, the board was long-serving and prevented other members from standing as candidates for the board.

Is there a risk to SouthEast becoming a fake co-operative?

There should not be a risk – provided the board and the members recognise there is a risk. It will only happen if the board loses its way and forgets its accountability and transparency to members. The board must remain accountable to the members and the members must keep the board accountable. The board needs to work with members in constantly renewing its co-operative values and principles and recognise that these values and principles are unique.

What else do you do?

I read books about Australia, co-operatives, politics and the economy and I watch crime, horror and thriller DVD's in English and other languages.



Shirley Farrah with David

Energy Bills

CUAC represents all Victorian energy and water consumers, but has a particular focus on the needs of low-income, disadvantaged, rural and regional and indigenous consumers. Our work is guided by the principles of affordability, accessibility, fairness and empowerment through information and education.

3 ways to save money on your energy bills.

Get a cheaper energy plan. Get a concession - if you can. Save energy.

1. Get a cheaper energy plan.

- You can save money.
- You might be able to get a cheaper energy plan. Energy is your electricity and gas.

There are 2 government websites to help you choose the best energy retailer.

- One website is for electricity.
- One website is for gas.

The websites are run by the government, not the energy retailer.

You can ask someone to help you use the websites. For example,

- a friend.
- a family member.
- a support worker.

How to get a cheaper electricity plan. You will need an electricity bill. The bill must not be more than 12 months old.

Follow these 11 steps.

1. Go to the My Power Planner website mpp.switchon.vic.gov.au.
 2. Click the red button in the middle of the video picture. Watch the video. The video tells you how the website works.
 3. Click on Get Started.
 4. Read the terms and conditions.
 - Look for the words I have read and agree to the terms and conditions.
 - Click on the box next to the words.
 - Click Next.
 - Terms and conditions are the rules you say yes to.
 5. Choose 1 option. Option A.
- Use your bill to answer questions (or choose Option B).
- You have a smart meter. You use your smart meter information.

Option A is easier.

Click on Option A.

6. Answer the questions about

- where you live.
- how you use electricity. For example,
- Do you have an electric cook top?
- Do you have a swimming pool?

Click Next.

7. Put in your electricity bill details.

Click Next.

8. You will see your power profile.

Your power profile shows you when you use electricity.

9. Click Next.

10. You can now see all the electricity plans.

You can see the

- type of electricity plan.
 - cost per year.
 - rules of the electricity plan.
- The cheapest electricity plans will be at the top.

11. Click on the plan name.

- Read more information.

If you have any problems with the My Power Planner website, call 136 186.

Email customer.service@ecodev.vic.gov.au.

How to get a cheaper gas plan

You will need a gas bill. The bill must not be more than 12 months old.

Follow these 7 steps.

1. Go to the Your Choice website yourchoice.vic.gov.au.
 2. Click on Search Gas Offers.
 3. Put in your post code.
 4. Click on My Use.
 5. Put in the information from your gas bill.
 6. Click Compare Offers.
 7. Now you can see all the gas plans.
- You can see
- the rules of the gas plan.
 - how long the gas plan will go for.
 - the cost.
- The cheapest gas plans will be at the top. Click on the blue "I" for more information. The blue "I" is next to the name of each plan.

What the websites show you.

The My Power Planner website and Your Choice website will show you all of the energy plans you can get. Read about the energy plans. You can ask someone to help you.

For example:

- a friend.
- a family member.
- a support worker.

You can:

- choose a new energy plan.
- or stay with the energy plan you have

now.

Before you change to a new energy retailer.

Check:

- Will I have to pay to change to a new energy retailer?
- Will I pay more for my gas or electricity?
- How will I get my bill?
- by post?
- by email?
- How do I pay my bill?
- Is there a discount? How do I get the discount?

How to change to a new energy retailer.

You need to:

- call the new energy retailer.
- tell them the name of the plan.
- ask to change to the new plan.
- You can change to a new contract on the phone.
- Stay with your current energy retailer. Your current energy retailer is:
 - the energy retailer you are with now.
 - the retailer who sends your bill to you.
- You do not have to change. You can:
 - stay with your current energy retailer. and
 - stay on the same plan.

or you can:

- stay with your current energy retailer. and
- ask for a better price.
- You can ring your energy retailer and say: Can you give me a better price?

The energy retailer might be able to give you a better price. You will need a new plan.

You can read more about how to compare energy plans:

- what questions to ask before you change to a new energy retailer.
- how to change to a new energy retailer.

Read the booklet called Compare Energy Plans Online.

You can get this booklet online at www.energyinfohub.org.au

2. Get a concession - if you can.

Do you have a:

- Centrelink Health Care Card?
- Pensioner Concession Card?
- Veterans Affairs Gold Card?

You can pay less.

- Call your energy retailer.
- Tell them your concession card details.
- Check every bill to make sure you get a concession.

- Tell your energy retailer when your card details change.

3. Save energy

Save energy and save money.

You can:

- keep your heater at 20 degrees or less.
- keep your air conditioning at 26 degrees or more.
- only use a heater or air conditioning in the room you are in.
- Shut doors and windows.
- Close the curtains.

Example.

You are in the bedroom.

You have the air conditioning on.

- Shut the bedroom door to keep the cold air in.

- wash your clothes in cold water.
- have 4 minute showers.
- keep your freezer at -18 degrees.
- keep your fridge at 4 degrees.
- Use a thermometer to check the temperature of your fridge and freezer.
- The dial at the back of the fridge does not tell you the temperature.

You cannot pay your bill.

Sometimes people have money problems and cannot pay their energy bills.

Your energy retailer can help. If you cannot pay your bill, call your energy retailer.

- Say: I cannot pay my bill. Can you help me?
- Your energy retailer will help you.

For example, your energy retailer might give you more time to pay.

- let you pay small amounts.
- help you in another way.

Problems with your energy company.

You might have a problem with your retailer.

You should:

- call your energy retailer.
- explain the problem.
- ask your energy retailer to fix the problem.

You should write down:

- the date you call.
- the time you call.
- the name of the person you talk to.

If the energy retailer does not fix the problem, you can ask the Energy and Water Ombudsman for help. Call 1800 500 509. This is a free service.

Cooperative Housing Member Participation and Engagement Activities

The Community Housing Federation of Victoria (CHFV) co-operative sector are presently very active in looking at what is happening in the co-operative housing and community housing sectors in community engagement and tenant participation with much of the work being done by Greg Maloney from the Northcote Rental Housing Co-operative.

Exciting new engagement and participation dialogues are emerging nationally and will be shared in future editions of Housing Futures with the view to involving SouthEast tenants and families in building, shaping and developing personal ownership of their own future engagement and participation activities in the community and SouthEast.

CEHL

CEHL is looking at different models of member participation - especially when looking at co-op housing in comparison to directly managed properties.

Regional Associations of Co-op's with quarterly forums and members choose items for the agenda
Policy Advisory Committee
Programme Advisory Panel
Training Advisory Committee
Social Events
Conferences

Newsletter Advisory Group

EASTERN SUBURBS:

Mid-Year Lunch
End of Year Xmas Lunch
Trivia Nights: prizes for rounds
Facebook advice
Members' Meetings with: Tea, coffee, cakes and prizes, PowerPoint presentations, members talk on a topic of interest, and saving \$ and looking after your body.

NORTHCOTE:

Midyear social event like: Bush Babies (baby animals) and film.
Activities with AGM e.g. making non-toxic soap and detergents
Energy and water usage savings,
Face painting etc. for children and badge making
Tomato Sauce Making
Members' Meetings: Using PowerPoint
Board and committee members' dinner
Members' Future Housing Forums that are independently and/or creatively facilitated rather than chaired

Newsletter

Website with a member's area for information and submitting maintenance and tenancy forms

NORTHERN GEELONG:

Monthly social function with a gold coin donation for a charity, usually around twenty members
Op Shop: Rack of clothes, photo frames
Australia's Biggest Breakfast
Give aways e.g. LED globes, draught stoppers
Welcome Pack for new Members: Creates own friends and life of co-op and informal

SOUTHEAST

Family social events in local areas to commemorate 15 years as a co-op
25th co-op anniversary dinner
Area policy meetings
Annual Christmas Party at Healesville
Sanctuary with various activities e.g. face painting, gifts for children, photos with Santa
Housing Futures newsletter with focus on co-operative development, members, staff and directors bios, website, Twitter and Facebook with discussions blogs
Surveys (services and views, satisfaction, website, newsletters, meetings events, annual report.)
Seniors and People with Disability Survey
Energy Saving retro fits and energy audits
Bi annual member meetings with policy discussions groups workshops
Flowers for new members and contact if required
Milestones plaques to commemorate 25 years members
Open Office
Open Board
Myuna Farm Family Day
Member inductions and board orientations for new directors
Communications Working Party
Education and Training Policy Review

UNITED HOUSING:

Social Functions
Xmas party: members cater for events, face painting, juke boxes, slushies, gifts for children, prizes, photos
Easter Picnic: members cater for events:
Easter egg hunts
Education & Training
Member Education Program
Grants for members and families for vocational



SouthEast
Housing Co-operative Ltd
Housing Futures

Privacy

SouthEast is committed to protecting your privacy and complying with all applicable privacy laws. If you have any questions or comments about our privacy practices, we can be contacted at PO Box 7141, Dandenong. Phone 03 9706 8005.

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Authorisation

Housing Futures is authorized by the A/Manager (Governance), David Griffiths for publication.

or extra-curricular courses, or courses that enhances personal wellbeing
Training subsidies: First Aid, Safe food handling, Computer courses offered to members and families
Training Forums: Member Committees facilitated: PowerPoint presentations, guest speakers, water/energy saving tips, fire safety, parenting skills
Donation to Charity: Gold coin donation to a Charity
Members' skills sharing: Member organised workshops
Director Mentoring: member training for those wanting to become directors.
Environmental Projects
Sustainable Energy Initiative
Reverse cycle air conditioning and whirlingig program. To be investigated will be gardening, mulch recycling and workshops.
Meetings
Members' Meetings: food, tea/coffee, sweets and raffles/prizes
Board Committees: members volunteering committees to assist in the development of the organisation and contributing to the co-op governance
Members Action Group/Soap Box: an open forum for gripes and discussion.
Communications
Newsletter - Bi-monthly circulation to members. Information and tips on property maintenance, gardening, savvy savings, support services and competitions with prizes
Website: member's area for information and submitting suggestions
Member satisfaction surveys to collect feedback on member satisfaction with co-op engagement and participation
Financial assistance: the offer of Bunning's purchase orders to assist members to attend.
Vouchers for property maintenance issues at their property or to purchase gardening materials that are re-payable over time. Financial advice and counselling offered to members experiencing financial difficulties.

WILLIAMSTOWN:

Film Nights
Suppers
Xmas Dinner
Guest Speakers at co-op meetings
Vegetable Garden Projects
Trivia Night